

### *House passes Iran Refined Petroleum Sanctions Act of 2009*

December 15, 2009

WASHINGTON, DC – In seeking to prevent Iran, a state-sponsor of terrorism, from attaining a nuclear weapons capability, Congressman Joe Sestak (PA-07) cosponsored, and today voted for, H.R. 2194, the Iran Refined Petroleum Sanctions Act of 2009. The legislation provides a mandate that the Obama Administration investigate and penalize foreign individuals and companies that attempt to sell or ship gasoline to Iran or invest in its energy infrastructure. Presently, although Iran is oil-rich, its refinery infrastructure cannot meet the demand for refined petroleum products and it is heavily reliant on foreign imports. To date, although U.S. energy trade with Iran is banned, the United States has never sanctioned foreign entities that provide these imports.

“Iran cannot be permitted to acquire nuclear weapons as this would pose a direct threat to our forces in the region and our ally Israel while potentially triggering a regional arms race,” said Congressman Sestak. “I believe the Obama Administration took the proper initial steps in engaging with Iran diplomatically, with some progress made this fall. It did so by offering Iran a chance to participate in negotiations about its nuclear activities and intentions, or face new international sanctions for not making sufficient progress toward greater transparency.

“While the Obama Administration succeeded in establishing the firmest international opposition to Iran’s nuclear weapon program yet -- as seen in the International Atomic Energy Agency’s (IAEA) recent vote of censure against Iran -- unfortunately, Iran has, by all measurable indications, chosen to decline the offer to ship abroad Iranian low-enriched uranium for processing.

“Under this deal, enough of Iran’s supply of low-enriched uranium to effectively prevent them from creating an atomic bomb for at least the near term would have been shipped to Russia and France, where it would be processed into fuel rods for a medical research reactor in Tehran. This deal would have provided additional time for more comprehensive negotiations.

“Iran’s continuing defiance of the international mainstream appears to be the product of its current internal political situation, which has been in a state of crisis since the election fraud which occurred in June. Nonetheless, President Obama gave a deadline of December for diplomatic progress, and that deadline has nearly passed. It remains my firm conviction that, at this time, Congress should weigh in on the strategy and vigorous sanctions should be pursued”

### Summary:

The measure amends the Iran Sanctions Act to restate the requirement that the president impose two or more current sanctions if a person has "knowingly" made an investment of \$20 million or more that directly and significantly contributed to Iran's ability to develop its petroleum resources.

The sanctions apply to persons who knowingly:

Sell, lease, or provide to Iran any goods, services, technology, information or support — or enter into a contract for those activities — that would allow Iran to maintain or expand its domestic production of refined petroleum products, including any assistance in the construction, modernization, or repair of refineries that make refined petroleum products.

Provide Iran with refined petroleum products or engage in an activity that could contribute to Iran's ability to import refined petroleum resources; including providing ships, vehicles, or other means of transportation to deliver refined petroleum products to Iran or insurance or financing services for such activities.

The sanctions include denial of Export-Import Bank assistance for any exports; denial of licenses for exports of military or military-related technology; a prohibition against serving as a primary dealer in U.S. government bonds or as a repository for U.S. government funds; a prohibition on any U.S. financial institution issuing loans over \$10 million per year; a prohibition on the sale of goods or services by the entity to the U.S. government; and a ban (or partial ban) on the importation of the affected entity's products into the United States. The sanctions remain in effect until the president has certified to Congress that Iran has dismantled its weapons of mass destruction.

The measure requires the president to immediately investigate a person once the United States receives credible information that the person has supplied refined petroleum products to Iran or supported the domestic production of such products in Iran.

The bill also prohibits new agreements for civil nuclear cooperation with a country that has not taken action against an individual within its jurisdiction who has contributed to Iran's nuclear weapons and missile programs.

The bill allows the president to waive sanctions if he determines the waiver is "vital to the national security interest of the United States."

Finally, this measure extends the Iran Sanctions Act's expiration date from Dec. 31, 2011, to

Dec. 31, 2016.

*Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including as Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, the Congressman was the first Director of "Deep Blue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, the Congressman is the highest-ranking former military officer ever elected to the U.S. Congress.*

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